



Operational Risk Management (ORM) Safe





Why ORM?

- Uncertainty and risk.
- Willingness to balance risk with opportunity.
- Effective tool for maintaining readiness.
- Dramatic results in reducing losses due to ORM application.
- A proven technique when applied to driving.
- In 1999, there were 6,289,000 traffic crashes in which 41,345 people were killed and 3,200,000 were injured.



ORM Terms

- Hazard - A condition with the potential to cause personal injury or death, property damage, or mission degradation.
- Risk - An expression of possible loss in terms of severity and probability.
- Risk Assessment - The process of detecting hazards and assessing associated risks.
- Operational Risk Management (ORM) - The process of dealing with risk associated with military operations, which includes risk assessment, risk decision making, and implementation of



ORM Process

- Identify Hazards



- Assess Hazards

- Make Risk

Decisions

- Implement





RAC Matrix

CATEGORY I - The hazard may cause death, loss of facility/asset or result in grave damage to national interests.

CATEGORY II - The hazard may cause severe injury, illness, property damage, damage to national or service interests or degradation to efficient use of assets.

CATEGORY III - The hazard may cause minor injury, illness, property damage, damage to national, service or command interests or degradation to efficient use of assets.

CATEGORY IV - The hazard presents a minimal threat to personnel safety or health, property, national, service or command interests or efficient use of assets.

Risk Assessment Code

1 = Critical
2 = Serious
3 = Moderate
4 = Minor
5 = Negligible

Severity + Probability
of Occurrence =
RAC

Hazard Probability Categories

- A** - Likely to occur immediately or within a short period of time.
- B** - Probably will occur in time.
- C** - May occur in time.
- D** - Unlikely to occur.

Probability of Occurrence

		Likely	Probably	May	Unlikely
		A	B	C	D
SEVERITY	Cat I	1	1	2	3
	Cat II	1	2	3	4
	Cat III	2	3	4	5
	Cat IV	3	4	5	5
		Risk Levels			



ORM Principles

- **Accept risk when benefits outweigh the cost.**
- **Accept no unnecessary risk.**
- **Anticipate and manage risk by planning.**
- **Make risk decisions at the right level.**



Safe Driving ORM

ORM is a proven successful tool for operational use, but it has equal application to many types of activities where there is risk associated. A good area to pursue using the ORM process is safe driving.



Why ORM My Driving?

- Motor vehicle crashes are the leading cause of death for ages 5 - 29 years old.
- Vehicle occupants accounted for 85.3 percent of traffic fatalities in 1998. The remaining 14.7 percent were pedestrians, pedalcyclists, and other non-occupants.
- The Naval Safety Center calls traffic safety our #1 readiness issue.



Navy Personnel Driving

Statistics

FY 99

	Total	Partial Fatalities	Major Disabilities
Disabilities			
Cars/trucks/etc.		51	3
113			2
Motorcycles		15	1
38			4
Pedestrians/cyclists	5	0	0
Total	71	4	17
168		6	
Alcohol-Related Mishaps			
		25	2
29			1
95 - 99 Summary*	366	26	45
1,221			



Safe Driving Scenario

Captain Williams has made it known he intends to exercise his authority and secure training at 1500 on Friday, for a well deserved three day weekend.

Accordingly, you are planning a trip to Charleston, SC to visit family, friends, the Battery, Rainbow Row, Middleton Gardens and experience southern hospitality and ambience.

Your plan is to leave as soon as possible after 1500 because the 525 mile trip will take at least 9 hours.



Identify The Hazards

- ▣ **Fatigue**
- ▣ **Equipment Breakdown**
- ▣ **Drunk Drivers**
- ▣ **Speeding**
- ▣ **Directionally challenged**
- ▣ **Road Construction**
- ▣ **Weather**



Assess The Hazards

Hazards

Severity/Probability(RAC)

▮ Fatigue	I/C	(2)
▮ Equipment breakdown	II/C	(3)
▮ Drunk Drivers	I/C	(2)
▮ Speeding	I/A	(1)
▮ Directionally challenged	IV/C	(5)
▮ Road construction	III/C	(4)
▮ Weather	II/C	(3)



Make Risk Decisions

Hazard RAC

Speeding **1**

Fatigue
2

Drunk Drivers
2

Weather **3**

Equipment breakdown
3

Road construction **4**

Directionally challenged **5**



Implement Controls

Hazards

Speeding

Fatigue

Drunk Drivers

Weather

**Equipment breakdown
repairs before**

Construction

Getting lost

Controls

Know and obey speed limits.

Rest, adjust start time.

Leave early morning.

Monitor weather channel.

**Inspect vehicle and make
trip.**

Get a trip planner.

Carry a current map.



Supervise

- **Command sponsored vehicle inspection for those planning long distance trips.**
- **Mandatory completion of driver mishap risk indicator form.**
- **Pre-holiday safety standdown.**
- **Evaluate and adjust controls as the situation changes.**
- **Ensure personnel are familiar with their situation.**
- **Watch for changes.**



Take Away

Ask yourself three crucial questions:

- What can go wrong?**
- What am I going to do about it?**
- If I can't do anything, who do I**



Core Values and ORM

Principles

Principles

1. Accept risk when benefits outweigh the cost.
2. Accept no unnecessary risk .
3. Anticipate and manage risk by planning.
4. Make risk decisions at the right level.

Values

Accountable for our actions. . . Be there for your shipmates...

‘Work smart’ avoid shortcuts/steps that may cause injury or damage...
Minimize risk taking ...

Plan ahead. . .
Take time to plan...
Ask yourself the right questions. . .

Support the chain of command. . . Know that you have choices... Do the

Honor

Courage

Commitment



Summar

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- **ORM Terms**
- **ORM principles**
- **ORM five-step process**
- **ORM and safe driving**
- **How core values support the ORM process and safe driving habits**